

AMENDED IN ASSEMBLY AUGUST 20, 2001

AMENDED IN ASSEMBLY JULY 2, 2001

AMENDED IN SENATE APRIL 25, 2001

**SENATE BILL**

**No. 446**

---

**Introduced by Senator Vasconcellos  
(Principal coauthor: Senator Kuehl)  
(Coauthor: Senator Romero)**

(Coauthors: Assembly Members Keeley, Koretz, and Robert Pacheco)

February 21, 2001

---

An act to add Section 22793.2 to the Government Code, to add Section 1367.45 to the Health and Safety Code, and to add Section 10145.2 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 446, as amended, Vasconcellos. Health care coverage: AIDS vaccine.

Existing law authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefits plans and to approve health benefits plans offered by employee organizations in order to provide health benefits coverage to specified public employees.

This bill would prohibit those contracts and plans from excluding from coverage any approved AIDS vaccine, as specified.

Existing law provides for the regulation and licensing of health care service plans by the Director of the Department of Managed Health Care and for the regulation of disability insurers by the Insurance

Commissioner. Existing law provides that a willful violation of provisions governing health care service plans is a crime.

This bill would ~~prohibit~~ *provide that* health care service plans and disability insurers that provide ~~group~~ coverage for hospital, medical, or surgery expenses ~~from excluding from~~ *shall also provide coverage an* ~~for an~~ approved AIDS vaccine, as specified. *The bill would not apply to specified types of disability insurance policies.* Because a willful violation of the bill's requirements with respect to health care service plans would be a crime, this bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 22793.2 is added to the Government  
2 Code, to read:

3 22793.2. (a) A plan or contract shall not exclude from  
4 coverage any vaccine for acquired immune deficiency syndrome  
5 (AIDS) that is approved for marketing by the federal Food and  
6 Drug Administration.

7 (b) This section shall not be construed to require a plan or  
8 contract to provide coverage for any clinical trials relating to an  
9 AIDS vaccine or for any AIDS vaccine that has been approved by  
10 the federal Food and Drug Administration in the form of an  
11 investigational new drug application.

12 (c) *Nothing in this section is to be construed in any manner to*  
13 *limit or impede the board's power or responsibility to negotiate the*  
14 *most cost-effective price for vaccine purchases.*

15 SEC. 2. Section 1367.45 is added to the Health and Safety  
16 Code, to read:

17 1367.45. (a) Every individual or group health care service  
18 plan contract that is issued, amended, or renewed on or after  
19 January 1, 2002, that covers hospital, medical, or surgery ~~expenses~~

1 ~~on a group basis may not exclude from coverage a~~ *expenses shall*  
2 *provide coverage for a vaccine for acquired immune deficiency*  
3 *syndrome (AIDS) that is approved for marketing by the federal*  
4 *Food and Drug Administration.*

5 (b) This section may not be construed to require a health care  
6 service plan to provide coverage for any clinical trials relating to  
7 an AIDS vaccine or for any AIDS vaccine that has been approved  
8 by the federal Food and Drug Administration in the form of an  
9 investigational new drug application.

10 (c) A health care service plan that contracts directly with an  
11 individual provider or provider organization may not delegate the  
12 risk adjusted treatment cost of providing services under this  
13 section unless the requirements of Section 1375.5 are met.

14 (d) *Nothing in this section is to be construed in any manner to*  
15 *limit or impede a health care service plan's power or responsibility*  
16 *to negotiate the most cost-effective price for vaccine purchases.*

17 SEC. 3. Section 10145.2 is added to the Insurance Code, to  
18 read:

19 10145.2. (a) Every policy of disability insurance that is  
20 issued, amended, or renewed on or after July 1, 2002, that covers  
21 hospital, medical, or surgery expenses ~~on a group basis may not~~  
22 ~~exclude from coverage for any~~ *shall provide coverage for a*  
23 *vaccine for acquired immune deficiency syndrome (AIDS) that is*  
24 *approved for marketing by the federal Food and Drug*  
25 *Administration.*

26 (b) This section may not be construed to require a policy to  
27 provide coverage for any clinical trials relating to an AIDS vaccine  
28 or for any AIDS vaccine that has been approved by the federal  
29 Food and Drug Administration in the form of an investigational  
30 new drug application.

31 (c) *This section shall not apply to vision only, dental only,*  
32 *accident only, specified disease, hospital indemnity, Medicare*  
33 *supplement, CHAMPUS supplement, long-term care, or disability*  
34 *income insurance. For hospital indemnity, accident only, or*  
35 *specified disease insurance coverage, benefits under this section*  
36 *shall apply only to the extent that the benefits are covered under*  
37 *the general terms and conditions that apply to all other benefits*  
38 *under the policy or certificate. Nothing in this section shall be*  
39 *construed as imposing a new benefit mandate on accident only,*  
40 *hospital indemnity, or specified disease insurance.*

1     (d) *Nothing in this section is to be construed in any manner to*  
2     *limit or impede a disability insurer's power or responsibility to*  
3     *negotiate the most cost-effective price for vaccine purchases.*

4     SEC. 4. No reimbursement is required by this act pursuant to  
5     Section 6 of Article XIII B of the California Constitution because  
6     the only costs that may be incurred by a local agency or school  
7     district will be incurred because this act creates a new crime or  
8     infraction, eliminates a crime or infraction, or changes the penalty  
9     for a crime or infraction, within the meaning of Section 17556 of  
10    the Government Code, or changes the definition of a crime within  
11    the meaning of Section 6 of Article XIII B of the California  
12    Constitution.

